

S & R Construction Co., Inc.

60 Dyerville Avenue
Johnston, Rhode Island 02919
Telephone: (401) 831-6337 Fax: (401) 276-7031



November 18, 2002

Dante Cornelio
Eastern Contractors, Inc.
571 Union Avenue
Framingham, MA 01702

SENT VIA FAX AND U S MAIL

Re: Wetherbee School, Lawrence, MA
LEDGE/ ROCK REMOVAL (revised 11/18/02)

Dear Dante:

Please be informed that S&R cannot accept the unit price set forth for ledge removal at the above-mentioned project. The unit price set forth, if accepted would place great financial strain on S&R Construction. S&R will seek to be reimbursed for the cost to remove the ledge at a fair and reasonable market price. We will also seek additional reimbursement for the original 3,000 cubic yards of open ledge. Also note, the contract ledge quantities included fill replacement at the areas of displaced fractured ledge. The additional ledge quantities did not include fill replacement for the displaced ledge. We will seek to be reimbursed for all additional fill required to infill the displaced ledge. We base this request on the following facts.

1. The unit price set forth addresses the ledge in question to be blasted. Because of the proximity of the ledge in relation to the building as well as other contributing factors and historical guidelines the ledge needed to be removed by mechanical methods. A unit price for removal by mechanical means is not addressed in the project manual.
2. The quantity of ledge encountered exceeds the amount carried by more than three times. The contract allows for renegotiation of unit prices that exceed the anticipated quantities by over twenty percent.

Based on the above facts S&R will seek to be compensated as follows.

Additional ledge encountered to date 5,766.32 cubic yards @ market value of \$275.00 per yard =	\$1,585,738.00
Contract open ledge encountered and removed 3,000 cubic yards @ \$275.00 per yard =	\$ 825,000.00
Fill replacement requirements for additional quantities 5,766.32 @ \$20.00 per cubic yard =	\$ 115,326.40
Less prior ledge requisitioned	\$ (313,313.14)
Plus 15% profit and overhead on additional amounts over contract	\$ 361,584.66

ADDITIONAL REIMBURSEMENT REQUIREMENT	\$2,574,335.92
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Also note, no time extension was granted for the additional time and delays caused beyond our control. We will require a project extension for the time required as per the signed daily work orders pertaining to all additional work over and above the work listed under the base contract. Overtime charges also pertain and have not been added to this request. S&R is entitled to be reimbursed for overtime requirements as a result of this additional work.

This matter has caused great financial strain on S&R Construction. We request this matter be given immediate attention to avoid further project delays.

Sincerely:

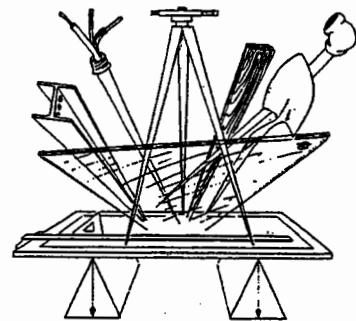
S&R CONSTRUCTION CO., INC.


Steven L. Rodi
Senior Project Manager

CC: Rocco Izzo

Enclosures (market value pricing) (spreadsheet itemizing cost)

Architects Contractors Engineers



Guide To Construction COSTS

XXXIII

2002

DIVISION #2 - SITEWORK & DEMOLITION

0202.0 EARTHWORK (Op. Eng., Truck Driver & Lab.)

.1 GRADING		(1) <u>UNIT</u>	<u>COST</u>	(1) <u>UNIT</u>	<u>COST</u>
Machine		CuYd	5.00	SqYd	.55
Strip Top Soil - 4"					
Spread Top Soil					
4" Site Borrow		CuYd	5.45	SqYd	.60
Off-Site Borrow (\$12 CuYd)		CuYd	19.50	SqYd	2.20
Rough Grading - Cut and Fill		(1) <u>UNIT</u>	<u>SOFT</u>	(1) <u>MED.</u>	<u>(1) HARD</u>
Dozer - To 200'		CuYd	3.30	3.55	4.20
To 500'		CuYd	3.70	5.30	6.60
Scraper - Self Propelled - To 500'		CuYd	2.95	3.30	3.85
To 1,000'		CuYd	3.75	4.40	5.20
Grader - To 200'		CuYd	3.25	3.80	5.50
Add for Compaction (See 0202.4)					
Add for Hauling Away (See 0202.5)					
Add for Truck Haul on Site		CuYd	2.55	-	-
Add for Borrow Brought In					
Loose Fill - 2.75 Ton		CuYd	10.40	-	-
Crushed Stone - 5.30 Ton		CuYd	13.75	-	-
Gravel - 4.10 Ton		CuYd	12.00	-	-

		HAND		
		(1) <u>UNIT</u>	<u>LABOR</u>	<u>MACHINE</u>
Hand and Machine		CuYd	10.80	5.20
Fine Grading - 4" Fill - Site		or SqFt	.14	.07
4" Fill - Building		CuYd	20.00	9.80
		or SqFt	.25	.12

.2 EXCAVATION - Dig & Cast or Load (No Hauling)
Soil

Open - Soft (Sand) w/Backhoe or Shovel		CuYd	19.60	3.20
Medium (Clay)		CuYd	27.75	3.95
Hard		CuYd	43.20	5.50
Add for Clamshell or Dragline		CuYd	-	1.25
Deduct for Front End Loader		CuYd	-	1.05
Deduct for Dozer		CuYd	-	.27
Trench or Pocket - Soft w/Backhoe or Shovel		CuYd	22.60	4.70
Medium		CuYd	28.70	6.10
Hard		CuYd	41.30	7.40
Add for Clamshell or Dragline		CuYd	-	1.15
Augered - 12" diameter		CuYd	47.40	9.00
24" diameter		CuYd	36.20	6.10
Add for Frost		CuYd	-	7.20
Rock - Soft - Dozer		CuYd	-	31.00
Hammer		CuYd	-	77.00
Medium - Blast		CuYd	-	93.00
Hammer		CuYd	-	160.00
Hard - Blast		CuYd	-	205.00
Hammer		CuYd	-	275.00
Swamp		CuYd	-	8.90
Underwater		CuYd	-	11.50
.3 BACKFILL (Not Compacted and Site Borrow)		CuYd	10.05	2.50
Add for Off-Site Borrow		CuYd	-	10.35

Add to All Above for Mobilization Average

5%

(1) Machine and Operators

3000 cubic yards open ledge (contract)	billed to date	\$ 115,500.00
650 cubic yards trench ledge @ \$45.00	billed to date	\$ 25,763.40
change order #1 1515.12 cubic yards	billed to date	\$ 58,332.00
change order #3 734 cy	billed to date	\$ 2,023.34
change order # 5 173 cy	billed to date	\$ 6,687.00
change order #8 2531.60	billed to date	\$ 97,467.00
trench ledge 291.23	billed to date	\$ -
trench ledge 74.25	billed to date	\$ 3,341.00
trench ledge 354.14	billed to date	\$ -
trench ledge 93.32	billed to date	\$ 4,199.40
TOTAL BILLED TO DATE		\$ 313,313.14
 <u>CALCULATION OF 15% PROFIT</u>		
5766.32 cy @ 275.00	1,585,738.00	237,860.70
3000 cy @ 236.50	709,500	\$ 106,425.00
5766.32 @ 20.00	115,326.00	\$ 17,298.96
TOTAL PROFIT AND OVERHEAD ON ADDITIONAL COST		\$ 361,584.66